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BUREAU OF INTELLIGENCE & RESEARCH
OFFICE OF ANALYSIS FOR EAST ASIA AND PACIFIC

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China Lights

Report No. 190, February 22, 1991

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- III. PRC: Tourism, Recovering Slowly, Threatened By Gulf Crisis
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I. CHINA: PUTTING A NEW SPIN ON HUMAN RIGHTS (2/16/91)

China's handling of recent trials of Tiananmen protesters suggests increased sensitivity to international opinion and recognition that a negative image on human rights issues can entail real costs. Beijing is also seeking domestic reconciliation, albeit on the leadership's terms. But real human rights improvements have been grudging and modest.

Official spokesmen have rejected foreign criticism of China's human rights record, including the recent trials, as unwarranted interference, and officials boast of "standing up" to international pressure. But criticism of the US human rights report was less strident this year than last! [REDACTED]

[REDACTED] The handling of the trials reflects considerable bending to outside sensitivities for the sake of reconstructing important economic ties.

A learning curve

Despite strident rejection of last year's report, PRC officials began a quiet dialogue with the US government--rebutting many issues point-by-point; improving access by US embassy officers to judicial and police officials and sensitive minority regions; and hosting Assistant Secretary Schifter, whom they assured the dialogue would continue. Last year, for the first time, officials accepted queries on the status of a number of human rights cases.

Media spin

Beijing's coverage of the Tiananmen protesters' trials--especially in its overseas media--shows a keen sensitivity to foreign criticism, sometimes at a domestic political cost for the leadership. Emphasis on the small number and low level of "ringleaders," for example, underscores the leadership's "leniency" but undermines the credibility of assertions that a "counterrevolutionary conspiracy" had threatened the regime.

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Official accounts of the trials took pains to point out that defendants were able to hire lawyers, present a defense, refuse to admit guilt, and appeal their verdicts. A lengthy account of the trials of Chen Ziming and Wang Juntao--who received the stiffest sentences--noted that both men's families were present and that the judge disallowed a prosecutor's motion to use their lack of repentance as a legal reason for imposing a heavy sentence. [REDACTED]

[REDACTED] Press accounts also played down accusations of "counterrevolutionary" offenses, focusing on less controversial "criminal" charges. [REDACTED]

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Reality changes slowly

Domestic and international pressure have had an effect on China's human rights record, but changes have been modest and slow. Abuse of office, torture by police and forced confessions, compulsory sterilization and abortion, and other abuses are now condemned and occasionally punished.

But orchestrated limitation of basic rights--freedom of the press, assembly, and religion--has resumed since Tiananmen, and China's judicial system is still subject to political manipulation. Despite the "lenient" sentences for most Tiananmen protesters, suspects were detained without trial for more than 18 months, then railroaded through trials without adequate time for lawyers to prepare a defense. Many rights are observed in the breach, especially out of the view of international critics. (CClarke) (CONFIDENTIAL/NOFORN)

II. CHINA: AIR FORCE MODERNIZATION PLANS (2/21/91)

Recognizing the importance to military power of a modern air force, [REDACTED]

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China's modernization strategy involves short-term upgrades of existing aircraft; in the mid-term, Beijing hopes to acquire advanced Soviet planes. But Beijing is also developing new aircraft, and seeks technology and co-production from the Soviets and others. China's efforts all hinge on foreign cooperation and technology; it also wants air refueling, airborne early warning, and other modern support systems.

Even before hostilities in the Gulf, Chinese officials recognized that modern war would "begin with a struggle to control the air," in the words of President Yang Shangkun, who is also vice chairman of the military commission. [REDACTED]

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Short-term fixes

For now Beijing is counting on upgrades of existing aircraft, principally the F-7 and F-8; before Tiananmen, Beijing was counting on US assistance. Embittered by its vulnerability to sanctions and annoyed by its experience with FMS, the leadership has intensified efforts to diversify suppliers. It is sounding out Swedish, British, Italian, French, Israeli, and Soviet suppliers to improve radars, air-to-air missiles, and engines for existing and projected aircraft. These programs, though providing modest qualitative improvements, would not substantially better China's capabilities against Taiwan, India, Vietnam, or other potential adversaries.

Mid-range stop-gaps

Acquisition of Soviet aircraft, depending on the size of the deal, could give PRC capabilities a real boost. The Su-27, with more than twice the range of China's longest-range fighter, could add to China's ability to project power beyond its borders, particularly if used to escort bombers. The MiG-29, a short-range interceptor, would enhance Chinese air defenses but add little to China's power-projection capabilities. The avionics used in both aircraft would significantly help China detect and engage aircraft at long distances.

Long-range plans

Beijing's real goal in discussions with Moscow is less to acquire a small number of modern aircraft than to supplement current development projects with Soviet technology and co-production of future aircraft. China is now developing a new-generation fighter [REDACTED] a new [REDACTED] fighter-bomber, the FB-7, is being flight-tested. But both projects have been plagued with technical problems, delays, and difficulties in assimilating high-technology; neither aircraft will be widely deployed until the late 1990s. b1

Implications

The US aerospace industry has probably lost the special edge it once held in the Chinese military market--Beijing is intent on diversifying suppliers--but at least some Chinese air force and aircraft industry officials hope to resume some level of cooperation with the United States. A significant shift in the balance of forces with Taiwan or any other potential adversary is probably at least several years away, even were Moscow to agree to sell China a squadron of advanced fighters.

(CClarke) (SECRET//NOFORN//NOCONTRACT//ORCON//EXDIS)

III. PRC: TOURISM, RECOVERING SLOWLY, THREATENED BY GULF CRISIS

China's tourism industry, initially devastated by the after effects of the 1989 Tiananmen massacre, last year rebounded to record almost the level attained in 1988 and officials were looking forward to steady improvements this year and next. But the worldwide travel slump caused by concern over terrorism as a by-product of the Gulf war now threatens to delay China's recovery. Low tourist bookings will increase the financial strain already being felt by many major Western joint-venture hotels.

A record year. More than 31 million foreign visitors traveled to China in 1988, a 17 percent increase over the previous year. Although the vast majority of such visitors were from Hong Kong and Macao, China hosted 4.3 million group-tour visitors, of whom 1.8 million were foreign tourists. These included 590,000 Japanese, 300,000 Americans, 397,000 Europeans, and 400,000 visitors from Taiwan. Overall, in 1988 the tourism industry earned more than \$2.2 billion in much-needed hard currency.

Then came Tiananmen. Even before the army's crackdown, Beijing's extended instability resulted in a precipitous drop in tourism: in May 1989 alone, 300 tour groups involving 11,535 visitors canceled plans to travel to Beijing, according to China Daily. After the massacre, foreign visitors dwindled to a trickle, despite fare reductions, offers of "safety insurance" by the Beijing tourism bureau, and other confidence building gimmicks. In all, the country lost some \$60 million in tourism revenues in May and June alone. By year's end, officials were claiming a total of more than 23 million visitors, including 3 million members of organized tours, had brought in \$1.7 billion in revenues. Although this represented a 25-30 percent decline in the number of visitors, and a drop in revenues of more than 20 percent, the actual financial damage was considerably larger. Beijing had been planning for significant expansion in the tourism industry, including revenues of \$3 billion.

A slow road back. By the end of last year, Beijing had largely recovered its lost ground. Though of the end of November, the number of visitors had reached more than 25 million, almost a 13 percent increase over 1989, but still more than 10 percent short of the total during the same 11 month period in 1988. Revenues, however, were roughly equal to those in 1988, and more than 17 percent above earnings in the first 11 months of 1989. Officials expected complete recovery by the end of the year, an expansion this year, and a major push in 1992, China's self-proclaimed "Golden Year of Travel."

Then Came the Gulf. The worldwide tourism industry's depression following the Gulf war probably will hit Beijing hard, although many Asian markets are not expected to be as severely affected as Europe and the Middle East. No overall estimates are yet available, but hotels in China--as far afield as Lhasa--are already receiving cancellations for this summer, generally their busy season.

The situation this year is likely to be even more acute in some respects than was the case in 1989 and 1990. Since 1988, the number of tourist hotels--many, if not most, involving foreign investors or lenders--has increased from about 1,300 to 1,800, according to official statistics. In Beijing, the number of hotel rooms tripled during the same period, a situation likely mirrored in other major cities. Since 1989, China has added 45 new jumbo jets to its civil air fleet, resulting in a 30 percent increase in transport capacity, according to Chinese media. As a result, more accommodations will be chasing fewer tourists, a situation certain to place increased financial strain on foreign investors and bankers and raise further problems for Chinese leaders anxious to attract not only foreign tourists but also foreign capital. (CClarke) (CONFIDENTIAL)

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IV. TAIWAN ASSERTIONS ABOUT PRC MILITARY ACTIONS AND INTENTIONS

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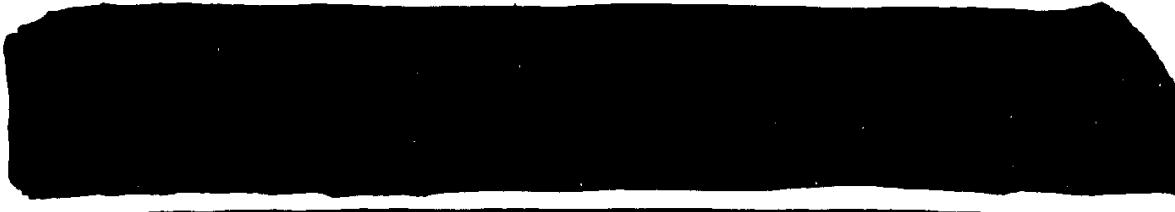
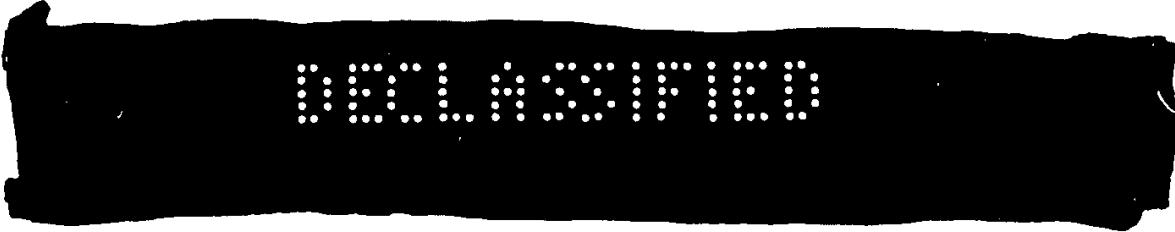
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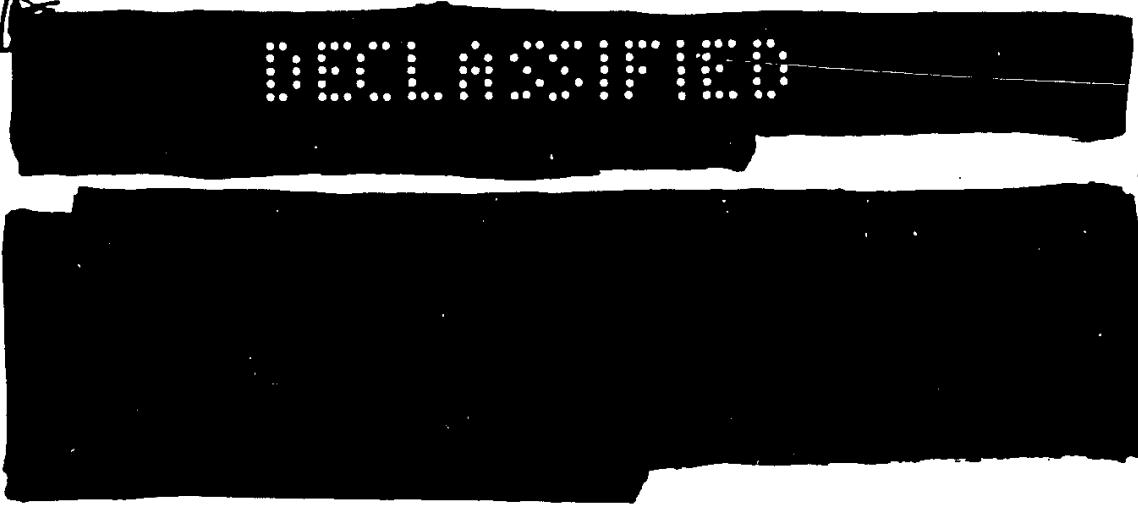
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